



# Budget Speech

OF

THE HON. S. E. LOW

TREASURER OF THE PROVINCE OF ALBERTA

Delivered on March 1st  
1943

IN THE

Legislative Assembly of Alberta

ON MOVING THE HOUSE INTO COMMITTEE OF SUPPLY

ALSO STATEMENTS OF  
FINANCIAL AND GENERAL INFORMATION

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# BUDGET SPEECH

DELIVERED BY

THE HON. S. E. LOW

*Treasurer of the Province of Alberta*

March 1st, 1943

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MR. SPEAKER:

It is again my privilege to move that you do now leave the chair, and that the House resolve itself into a Committee of Supply for the consideration of sums to be granted to His Majesty.

I acknowledge the privilege accorded me with a very real appreciation of my duty to place before the members of this Assembly and the people of this Province complete and accurate statements of government finances, and of the estimated budgetary requirements for the ensuing fiscal year; and, Mr. Speaker, I shall endeavour fully to discharge my duty.

Before dealing with the financial statements of the Province I propose, as briefly as possible, to review statistics relative to the main industries within our Province, and also the production from our Natural Resources. This is essential at this time as the production value from these sources must be carefully considered when forecasting the revenue of the Government for the forthcoming fiscal year.

## AGRICULTURE

Based on preliminary figures compiled by authoritative sources, the gross value of all agricultural products for the year 1942 for this Province is estimated at \$364,166,000, the highest value recorded in its history, and exceeding the record established in 1927 by over \$34,000,000.

## GRAIN CROPS

The value of grain crops is estimated at \$215,000,000 as compared with \$83,000,000 in 1941, an increase of approximately \$132,000,000. Notwithstanding the reduction in acreage seeded to wheat, the total yield was the second largest on record, and the production of other grains was the largest ever produced in the Province.

## ROOT AND FODDER CROPS

Root and fodder crops are valued at \$23,336,000, indicating an increase over the preceding year of almost \$5,000,000.

## LIVE STOCK

Live stock marketed was valued at \$78,250,000 as compared with \$63,905,000 for the previous year, a most gratifying increase; and it

is equally important to note the substantial gain in the number of hogs marketed, a total of 2,182,350, an increase of over 231,000 head. The number of hogs marketed exceeds the number marketed during the past year in any other province of the Dominion, and represents approximately thirty-five per cent of the total marketed in Canada. These figures are indicative of the splendid efforts of Alberta producers to meet Canada's wartime food production programme.

### DAIRY AND POULTRY PRODUCTS

During the year Dairy products also showed a substantial gain, both in value and volume, the estimated value being \$31,770,000, which is over \$4,000,000 in excess of the value for the previous year. Poultry products were valued at \$14,568,000, an increase of over \$5,000,000.

Mainly for purposes of record, the detailed figures are as follows, with comparative figures for the year 1941:

#### PRODUCTION AND VALUE—AGRICULTURE PRODUCTS

	Bushels		Average Value		Total Value	
Field Crops	1941	1942	1941	1942	1941	1942
Wheat .....	97,000,000	178,000,000	\$ .50	\$ .65	\$ 48,500,000	\$115,700,000
Oats .....	63,800,000	175,000,000	.33	.34	21,054,000	59,500,000
Barley .....	28,000,000	75,000,000	.39	.43	10,920,000	32,250,000
Rye .....	1,860,000	4,400,000	.40	.38	744,000	1,672,000
Flax .....	956,000	2,200,000	1.25	1.98	1,195,000	4,356,000
Peas .....	135,000	272,000	2.00	1.78	270,000	484,000
Mixed .....	926,000	2,653,000	.....	.....	353,000	1,027,000
Total Value, Grain Crops .....					\$ 83,036,000	\$214,989,000
Total Root and Fodder Crops .....					18,520,000	23,336,000
Total Value, Field Crops .....					\$101,556,000	\$238,325,000
Live Stock (Marketed)						
	Number					
Cattle and Calves .....	387,200	367,000	\$64.12	\$71.00	\$ 24,825,000	\$ 26,000,000
Sheep and Lambs .....	213,800	215,000	7.46	8.10	1,596,000	1,750,000
Swine .....	1,950,700	2,182,350	19.04	23.00	37,134,000	50,200,000
Horses .....	.....	.....	.....	.....	350,000	300,000
Total Value, Live Stock .....					\$ 63,905,000	\$ 78,250,000
Dairying .....					\$ 27,376,772	\$ 31,770,200
Poultry .....					9,279,900	14,568,000
Wool .....					616,300	855,500
Honey .....					374,400	397,800
Total Value, Agricultural Products .....					\$203,108,372	\$364,166,500

### WHEAT CARRY-OVER

While the figures indicate a substantial increase in the total value and also a price gain in most products, we must keep in mind that the total estimated income from wheat will not be realized by the individual producer until restrictions on deliveries are removed. In my budget address last year and also in my remarks the previous year I outlined the problem of marketing, and pointed out that the income from wheat was dependent upon policies of the Government of Can-

ada. We approach another crop year with the same problem before us; and in all probability it is at a more acute stage. The carry-over in Canada at July 31st, 1942, was four hundred and twenty-four million bushels; and the estimated carry-over at the end of the present crop year, that is July 31st, 1943, will be seven hundred million bushels. Figures with regard to the position of wheat in the United States, Argentina and Australia indicate conditions similar to those in Canada; and it is forecast that the carry-over by these countries and Canada at July 31st next will approximate one billion, eight hundred and seventy-five million bushels, which is over three times the normal world carry-over. It is not my intention, Mr. Speaker, to dwell further on this problem; but it must be kept before us when we consider the condition of agriculture and the importance of this industry to the economic life of this Province.

### BET SUGAR INDUSTRY

Preliminary estimates indicate some expansion in this industry when compared with the previous year. Final figures for the year 1941 show that the production of sugar totalled 93,595,000 pounds, and the grower realized \$8.79 a ton for his beets. In 1942, over one thousand growers seeded 27,600 acres, which yielded 338,000 tons of sugar beets as compared with 297,000 tons the previous year. The returns to the growers will approximate \$3,100,000, an increase of around \$500,000. The sugar output by the two factories at Raymond and Picture Butte for the year is given at 103,671,000 pounds, an increase of 10,076,000 pounds. Production in the past has been retarded owing to restricted markets. However, wider distribution has been secured under emergencies of wartime conditions; and it is to be hoped that some of the present markets may be retained after the war, in which case this industry may show further expansion, with a consequent advantage to the province as a whole.

### NATURAL RESOURCES

Each year the production from our Natural Resources furnishes additional evidence of the increasing importance of these assets to the people of the Province and to the economy of Canada as a whole. The annual returns for several years past show a gratifying increase over each preceding year; however, the development which has taken place is more clearly indicated when comparisons are made with production figures of earlier years; and I trust, Mr. Speaker, the statistics I shall use today will be of interest not only to the members of this Assembly, but also to the public generally. The value of all products from our Natural Resources for the year 1942 totalled \$45,985,000 as against \$37,446,000 the previous year, a very substantial increase of \$8,500,000.

### PETROLEUM PRODUCTION

The production of petroleum totalled 10,143,270 barrels worth \$15,517,000, an increase in value of \$1,707,000, and an increase of 234,627 barrels over the figures for the previous year. The production of petroleum is essential and important to the war effort, and the increase in production is especially gratifying.

### COAL, SALT AND TIMBER

The output of coal, which reached the highest annual tonnage

ever recorded in this Province totalled 7,754,279 tons valued at \$22,562,000, an increase in excess of 780,000 tons and in value of \$3,200,000. The production of salt also set a new record, 22,179 tons being mined, valued at the well-head at \$221,790. This compares with the 1941 output of 16,610 tons valued at \$166,000. Timber operations of all types reported products valued at \$7,684,235, an increase of over \$3,500,000 over the production value of the previous year.

It is interesting to compare the production from our most important natural resources for the years 1937 and 1942, and therefore I give the following figures:

#### PRODUCTION AND VALUE

	1937		1942	
	Production	Value	Production	Value
Petroleum .....	2,796,908 bbls.	\$ 4,913,960	10,143,270 bbls.	\$15,517,266
Coal .....	5,551,682 tons	14,434,970	7,754,279 tons	22,562,353
Salt .....			22,179 tons	221,790
Lumbering .....		3,007,864		7,684,235
		<u>\$22,356,794</u>		<u>\$45,985,644</u>

The increase of over one hundred per cent in the value of production from the sources cited is conclusive proof of a remarkable development which has taken place in the comparatively short period of five years.

I think, Mr. Speaker, that we have reason to feel gratified with the progress made within the period I have mentioned. The figures also indicate that the policies inaugurated by this Government have been conducive to the development of these Resources notwithstanding the fact they have been the subject of criticism at times.

#### FUTURE DEVELOPMENT

The outlook for further development is also most encouraging. An intensive search for new oil producing areas is under way; and increased recovery of heavy crude oil from the Vermilion Field is practically assured during the present year. Development and production from the oil sands at McMurray were retarded owing to the fire at the Abasand Plant there. However, the plant has been reconstructed, and during the months of August to October inclusive, 9,560 barrels of oil were recovered from 10,622 tons of sand. We can look forward with confidence, Mr. Speaker, to substantial increases in the production from our resources for many years to come.

I shall now review the main financial statements of the Province:

#### PUBLIC ACCOUNTS—FISCAL YEAR ENDED MARCH 31st, 1942

The Public Accounts for the past fiscal year which ended March 31st, 1942, have been tabled. The statements were also released to the public through the medium of the press several months ago, hence there is no necessity for me to deal with these statements in detail at this time.

The operating statement, after providing for all expenditures on both Income and Capital accounts, showed an over-all surplus of

\$4,596,336.24. A comparison of the actual revenue and expenditures with the estimates which I presented to this House will reveal that the actual revenue exceeded my estimate by the substantial amount of \$4,613,693.84; and actual expenditures on Income Account were \$609,998.60 less than I had forecast.

With respect to the revenue, I expressed the view in my address that the estimate was on the conservative side, and that we had taken into consideration the possibility of a shrinkage in revenue from certain sources. Revenue from the following sources exceeded the sums estimated: Gasoline and Fuel Oil Tax, \$962,304; Income Tax, \$741,245; Succession Duties, \$313,058; Motor Vehicle Licenses, \$348,532; Petroleum and Natural Gas Royalties, \$170,604; Timber Fees, Dues and Rentals, \$191,635; Liquor Board Profits, \$1,251,554. Details of both income and expenditures are to be found in the Public Accounts.

The over-all surplus to which I have referred is arrived at after providing for all ordinary Capital expenditures, unemployment relief and certain statutory payments, but does not include debt retirement; and you will note on Page 9 of the Public Accounts the sum of \$617,060 was expended for this purpose, which included \$498,288.14 for the redemption of Provincial Savings Certificates, \$46,000 as a payment on Treasury Bills held by the Dominion Government, and \$72,780 as a reduction of accounts payable.

#### FUNDED AND UNFUNDED DEBT

##### FISCAL YEAR ENDED MARCH 31st, 1942

The net funded and unfunded debt as at March 31st, 1942, totalled \$141,455,384.89 as compared with \$144,741,018.58 at the end of the previous year, a decrease of \$3,285,633.69. This reduction includes a decrease of \$734,583.61 in the net funded debt which is accounted for by accretions to the sinking funds of \$688,583.61 and sundry payments made on Treasury Bills held by the Dominion Government amounting to \$46,000. The remainder of the total reduction is with respect to the unfunded debt, and consists mainly of a decrease of \$498,288.14 in the savings certificates held by the public, and an increase in cash and investments of \$2,196,094.23, which is deductible from the unfunded debt.

#### CONTINGENT LIABILITIES—GUARANTEES

In addition to the public debt to which I have just referred, the Province is liable for certain guarantees with respect to Irrigation and Drainage District debentures, advances to Marketing Associations, Co-operative Credit Societies, and loans under The Municipal Improvements Assistance Act (Dominion). These guarantees and the Province's liability thereunder are detailed on Pages 21 and 22 of the Public Accounts. The total net guarantees at March 31st, 1942, amounted to \$7,582,796.85 as compared with \$8,500,509.68 for the previous year, a decrease of \$917,712.83.

#### RAILWAY GUARANTEES

In addition to these guarantees, the Province also had a number of guarantees outstanding with respect to Railways debenture issues; and I think it should be noted that the following issues which matured

during the year under review were redeemed by the Companies now operating these railroads:

Canadian Northern Western Railway Co. 4½% deb. stock due Feb. 16, 1942 .....	\$5,424,000
Canadian Northern Western Railway Co. 4½% 1st Mortgage Bonds due Feb. 16, 1942 .....	1,000,000
Edmonton, Dunvegan & B.C. Railway Co. 4% deb. stock due Feb. 16, 1942 .....	7,000,000
Grand Trunk Pacific Branch Lines Co. 4% 1st Mortgage Bonds, due Feb. 15, 1942 .....	1,153,764

### LIVE STOCK FEEDERS' ASSOCIATIONS

Under the provisions of The Feeder Associations Guarantee Act which was enacted by this Government in 1937, we have continued to guarantee advances to Feeders' Associations enabling them to purchase on behalf of their members feeder live stock. This assistance has enabled many farmers to realize increased returns from their forage crops and grain, and has also resulted in an increased number of well-finished cattle and sheep being marketed. During the season ended September 1st, 1942, fifteen of these Associations were in operation. 14,945 head of cattle and 41,157 head of sheep were placed with some 408 members of these Associations, and the cost of live stock purchased amounted to \$1,117,186.08. I am pleased to again report that all advances were repaid by the first of September, 1942.

In the current season two new Associations were formed, and seventeen are now in operation. At the 31st of December, 1942, advances totalled \$1,040,823.39, resulting in the purchase of over 13,000 head of cattle and 33,350 head of sheep. I might mention that as a result of the operations of these Associations and the experience gained by members in feeding live stock, an Association was formed last year which has successfully made provision for advances to members for the purchase of feeder cattle, and the Association is operating without the guarantee of the Government. Seven of the Associations operating with the guarantee of the Government were financed through Treasury Branch loans.

### THE ALBERTA CO-OPERATIVE RURAL CREDIT ACT

Loans to members of Co-operative Rural Credit Societies outstanding as at December 31st, 1942, amounted to \$1,183,048, a reduction of \$62,000 from the previous year. We are continuing the policy of making moderate loans only to members whose accounts are in a satisfactory condition. Up to December 31st, 1942, the Province had implemented its guarantee of these loans to the extent of \$890,538, of which \$359,179 had been reimbursed by the Alberta Rural Credit Corporation. The Capital and Reserve Fund of the Corporation amounted to \$329,056 at December 31st, 1942, which, together with earnings, will enable further amounts to be applied against the amount due the Province.

The annual statement in respect of these Societies has been laid on the table of the House.

### ALBERTA WHEAT POOL

The operating statement of this co-operative organization for the past year is considered exceedingly satisfactory notwithstanding a



reduction in grain handled owing to storage congestion. Net operating earnings of the elevator system for the 1941-42 season amounted to \$2,017,492.63 before providing for depreciation on properties and equipment of \$1,043,879.67, and interest of \$189,327.09 to the Province. The net surplus for the year is shown at \$784,285.

The liquid position of the Pool is very favourable; and as a result, they will distribute to their member patrons with respect to deliveries made during the 1941 and 1942 crop seasons approximately \$475,000, and will also purchase from their members a further five per cent of Elevator and Commercial Reserves involving an outlay of \$425,000.

The annual payment of principal and interest due the Province was paid; and I am very pleased to report another year of satisfactory progress for this co-operative.

#### THE ALBERTA HAIL INSURANCE BOARD

The operations of the Board in its fifth year were again very satisfactory. Premium income of \$762,000 showed an increase of \$272,000 over the previous year; and collection of these premiums to the extent of 91.82% had been effected as at January 31st, 1943, notwithstanding the incomplete harvest and restrictions on grain deliveries. Claims for losses amounting to approximately \$216,000, of which \$157,000 was paid on November 1st, 1942, will be paid in full by March 1st next.

Profit on operations for the fiscal year ending March 31st, 1943, will be approximately \$200,000, and total reserve funds at that time will be in excess of \$700,000 as compared with \$527,000 a year ago.

The Board is continuing its policy of providing hail insurance to the farmers of this Province at the lowest cost compatible with safety; and it should be remembered that it operates without financial assistance from the Government by way of guarantee or otherwise.

#### INTERIM FINANCIAL STATEMENT

##### FISCAL YEAR ENDING MARCH 31st, 1943

The cash statement for the nine months ended December 31st, 1942, is being tabled, and details of receipts and expenditures are furnished in that report. The cash receipts on Income Account at \$20,069,019.96 compare with \$20,262,840.93 for the same period last year, a decrease of \$193,820.97. You will note that the returns from the Fuel Oil Tax show a decrease of \$463,824; and as a result of the Tax Suspension Agreement with the Dominion Government, receipts from Corporation taxes indicate a decrease of \$758,315. Against these decreased receipts, Liquor Profits for the period show an increase of \$330,849; and other increases follow: Income Tax and Railway Mileage Tax under Dominion-Provincial Agreement, \$231,000; Petroleum Fees, Rentals and Royalties, \$123,423. Cash payments on Income Account, including net Unemployment Relief, total \$15,875,907.20, an increase of \$821,204.28. The main increased outlays consist of expenditures on District Roads and Bridges, \$198,828; Old Age Pensions and Supplementary Allowances, \$711,327; Grants to Schools, \$37,500; Public

Health Institutions and Sanatorium, \$91,456. Offsetting decreased expenditures include Main Highways Maintenance, \$63,570; Forest Fire Fighting, \$121,472; and Unemployment Relief, \$84,095.

The cash surplus on Income Account is shown at \$4,193,112.76; and after providing for net Capital payments of \$1,250,777.14, I am gratified to report an over-all cash surplus of \$2,942,335.62.

The financial statement to which I have referred indicates that we can anticipate a substantial surplus on all accounts to report when the accounts are closed at the end of the year. Owing to the Tax Suspension Agreement with the Dominion Government, our revenue from the sources set out in the agreement are pegged for the duration of the war and one year thereafter. Other prolific sources of revenue are now being seriously restricted by wartime regulations. As a result, we cannot expect to continue realizing substantial surpluses until such time as these restrictions are removed. We are assured, however, of a surplus on the current year's operations.

#### FUNDED AND UNFUNDED DEBT

The net funded and unfunded debt at December 31st, 1942, amounted to \$140,899,695.90 as compared with \$143,130,072.73 at December 31st, 1941, a net decrease for the calendar year of \$2,230,376.83. This decrease includes a reduction of \$812,122.68 made in the Funded Debt due to accretions to the Sinking Funds of \$693,074.68 and sundry payments on Treasury Bills held by the Dominion, in addition to cancellation of Alberta Registered Stock totalling \$119,048. The Unfunded Debt shows a decrease of \$1,418,254.15 accounted for by a reduction in Savings Certificates outstanding of \$454,685.35, which is offset to the extent of \$177,747.60 representing an increase in the Superannuation Fund and an increase in cash and investments of \$1,131,536.43 which is set off against the unfunded portion of the debt.

#### POST-WAR RECONSTRUCTION FUND

The Government proposes to ask this Assembly to pass a supplementary appropriation of one million dollars, chargeable against this year's operations and a bill will also be introduced at this session which will provide for the establishment of a Post-War Reconstruction Fund. The sum provided by the supplementary appropriation to which I referred will form the nucleus of this fund; and the purposes for which the fund may be expended will be expressly set out in the enabling legislation which will be placed before you. In making these funds available from the current year's revenue, it should lessen the expenditure load on future budgets in years when we may expect a shrinkage in revenues. In setting up this fund, the Government is keeping in mind the inescapable fact that we will have to face a period of transition from a wartime to a peace-time economy. Certain necessary capital expenditures in this Province have quite rightly had to be deferred owing to wartime demands for both material and man power; and by the creation of this fund we hope to be able to proceed with these projects and perhaps others when materials and labour are not in demand for war production.

### OLD AGE PENSIONS

At the 1942 session of the Legislature The Old Age Pensions (Supplementary Allowances) Act was enacted providing for an additional monthly payment of five dollars to persons who were in receipt of old age pensions granted by the Pension Authority of the Province, and residing in the Province. Payment of these supplementary allowances commenced with the month of April, 1942. At December 31st, 1942, the cost of this allowance to the Province had reached \$490,000, and the approximate expenditure for the present fiscal year will be \$670,000. Pensioners in receipt of this allowance on December 31st last numbered 10,995.

The Province of British Columbia also provided for an allowance of five dollars a month to their pensioners resident in their Province; and we have since completed an agreement with that Province which provides that they will pay the allowance to their pensioners resident in Alberta, and we in turn will pay a similar allowance to our pensioners resident in British Columbia. I am pleased to say that these payments were commenced with the month of January of this year, and payment of the allowance was made to 479 of our pensioners resident in the Coast Province. The agreement also provides that the Pension Board in British Columbia will make the payments on our behalf, and our Pension Board is likewise making payments of the allowance to their pensioners in this Province. I am sure all members of this Assembly will welcome completion of this arrangement; and you will be asked to consider a bill to validate the agreement at this Session.

To date only two provinces in Canada have provided for an increased allowance to old age pensioners. The need of an upward revision in the pension payments under The Old Age Pensions Act, 1927—Dominion Statutes, is becoming increasingly evident; and the action taken by this Government and the Government of British Columbia will probably be followed by other provinces. However, I would like to make this clear: in providing the supplementary allowance wholly from provincial funds, the Government has not receded from its position that the present maximum pension of \$20.00 a month provided under the Dominion Act is totally inadequate, and should be increased. This Government is also of the opinion that the cost of providing pensions to the aged in Canada is wholly the responsibility of the Dominion Government.

### ESTIMATES—FISCAL YEAR ENDING MARCH 31st, 1944

I would now direct the attention of the Honourable Members to the estimates for the ensuing fiscal year ending March 31st, 1944, copies of which have been tabled.

The estimated budgetary requirements and estimated results for the ensuing fiscal year are summarized as follows:

FISCAL YEAR ENDING MARCH 31st, 1944	
Total Estimated Revenue, Income Account .....	\$20,941,197.00
Total Estimated Receipts, Capital Account .....	985,630.00
Total Estimated Receipts, Income and Capital .....	<u>\$21,926,827.00</u>

Total Estimated Ordinary Expenditures, Income Account .....	\$18,612,478.58
Total Estimated Payments, Capital Account .....	2,475,688.00
	<hr/>
Net Statutory Payments .....	\$21,088,166.58
	<hr/>
	\$21,652,191.58
	<hr/>
Estimated Surplus before providing for Public Welfare and Youth Training .....	\$ 274,635.42
Estimated Expenditures, Public Welfare and Youth Training .....	566,445.00
	<hr/>
Estimated Over-all Deficit .....	\$ 291,809.58

The estimated revenue by Departments is as follows and I shall also give for comparative purposes, the figures for the current year:

#### REVENUE—INCOME ACCOUNT

	1943-44	1942-43	Increase	Decrease
Dominion of Canada				
(Subsidies) .....	\$ 1,794,810.00	\$ 1,788,593.40	\$ 6,216.60	
Agriculture Dept. ....	124,365.00	122,960.00	1,405.00	
Agriculture Dept. (Water Resources) .....	1,500.00	1,000.00	500.00	
Attorney Gen. Dept. ....	923,875.00	882,575.00	41,300.00	
Education Dept. ....	181,900.00	220,950.00		\$ 39,050.00
Executive Council .....	96,000.00	44,000.00	52,000.00	
Legislation .....	1,027.00	1,027.50		.50
Municipal Affairs Dept. ....	1,351,230.00	1,353,430.00		2,200.00
Provincial Sec. Dept. ....	6,287,300.00	6,620,275.00		332,975.00
Public Health Dept. ....	393,730.00	417,513.00		23,783.00
Public Works Dept. ....	987,750.00	1,115,765.00		128,015.00
Trade and Industry Dept. ....	115,400.00	129,100.00		13,700.00
Treasury Dept. ....	6,338,760.00	6,242,735.00	96,025.00	
Lands and Mines Dept. ....	2,343,550.00	2,328,800.00	14,750.00	
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenue—				
Income Account .....	\$20,941,197.00	\$21,268,723.90	\$212,196.60	\$539,723.50
	<hr/>	<hr/>	<hr/>	<hr/>
A net decrease of \$327,526.90				

#### REVENUE—INCOME ACCOUNT, 1943-44

Total revenue on Income Account is estimated at \$20,941,197.00 compared with \$21,268,723.90 for the present year, a decrease of \$327,526.90. The estimates in respect of the items affected by our agreement with the Dominion Government remain unchanged from those of a year ago. These items include grants in lieu of Income Tax and various Corporation taxes to the extent of \$4,080,860, and a guaranteed amount of \$3,221,000 in respect of Fuel Oil Tax. I anticipate that actual Fuel Oil Tax collections this present fiscal year will reach at least the guaranteed amount; but it is possible that in the coming year increased restrictions in the use of gasoline, automobile tires, and the vehicles themselves, will result in greatly reduced collections of this tax and a compensating claim on the Dominion Government.

Revenue from motor vehicle licenses is estimated at \$1,150,000, a decrease of \$331,000, in anticipation of decreased registrations; and, for the same reason, a reduction of \$152,000 is expected in respect of revenue from trucks and buses. Partly offsetting these decreases are estimated increases of \$75,000 in Treasury Branch earnings.

You will note that the estimated profits of the Liquor Control Board remain at \$2,900,000, which is the estimate for the current year. Last year I remarked that this estimate was well below the actual amount we would receive. However, the curtailment in supply recently announced by the Dominion Government precludes any further expansion in receipts from this source, and the estimate we have included for the ensuing year will be close to the actual unless we are compensated by a grant from the Dominion Treasury. I may say that when the provinces of Canada surrendered certain sources of direct taxation to the Dominion, it was pointed out at the conference that only two main sources of revenue remained to the provinces which might produce increased revenue, namely, Liquor Profits and Motor License fees; and should the receipts from these sources be materially reduced by regulations of the Dominion Government, the Provinces' ability to maintain essential services would be seriously affected unless they were compensated for by a grant from the Dominion. Representations have already been made to the Dominion Authorities. However, there is as yet no assurance that the loss in revenue will be made up by a grant from the Federal Treasury. I am satisfied, however, Mr. Speaker, that the total revenue estimated is reasonably safe for budget purposes; but must add that we cannot anticipate a substantial increase in the amount estimated under existing conditions.

#### EXPENDITURES—INCOME ACCOUNT

Total expenditures on Income Account, including expenditures for Public Welfare and Youth Training, are estimated at \$19,178,923.58 as compared with \$18,769,273.75 for the current year, an estimated net increase of \$409,649.83. The figures by Departments are as follows and I shall give the estimates for the current year for purposes of comparison:

#### EXPENDITURE—INCOME ACCOUNT

	1943-44	1942-43	Increase	Decrease
Public Debt Charges .....	\$ 3,878,304.00	\$ 3,871,182.00	\$ 7,122.00	
Executive Council .....	265,436.00	231,686.00	33,750.00	
Legislation .....	273,691.00	275,351.00		\$ 1,660.00
Agriculture Dept. ....	496,141.00	449,054.33	47,086.67	
Agriculture Dept. (Water Resources) .....	52,862.00	51,509.10	1,352.90	
Attorney General's Dept...	744,940.00	753,282.00		8,342.00
Education Dept. ....	3,572,493.00	3,282,434.50	290,058.50	
Municipal Affairs Dept.....	262,239.00	248,550.00	13,689.00	
Provincial Sec. Dept. ....	168,632.34	189,225.34		20,593.00
Public Health Dept. ....	2,440,102.24	2,372,455.48	67,646.76	
Public Works Dept. ....	2,738,833.00	2,712,864.00	25,969.00	
Railways Branch .....	4,650.00	4,650.00		
Treasury Dept. ....	2,694,676.00	2,393,631.00	301,045.00	
Lands and Mines Dept. ....	797,801.00	726,404.00	71,397.00	
Trade and Industry Dept....	221,678.00	235,958.00		14,280.00
<hr/>				
Total Ordinary Expenditures .....	\$18,612,478.58	\$17,798,236.75	\$859,116.83	\$ 44,875.00
Public Welfare .....	500,000.00	889,724.00		389,724.00
Youth Training .....	66,445.00	81,313.00		14,868.00
<hr/>				
Total Expenditures, Income Account .....	\$19,178,923.58	\$18,769,273.75	\$859,116.83	\$449,467.00
<hr/>				
A net increase of \$409,649.83				

In the estimates for the Education Department there is increased provision for grants to schools of \$224,000, mainly on account of special grants to Divisions with assessment of less than \$90,000 per classroom. There is also an increase of \$51,000 in the grant to the University, mainly due to greater general expenses and larger pension fund requirements.

The estimates of the Treasury Department show a total increase of \$301,000, due to the setting up of a reserve for the purposes of The Treasury Branches Act, which is offset to the extent of \$150,000 in the revenue section from this source.

The Lands and Mines Department shows a total increase of \$71,000, of which \$28,000 is attributable to the Forestry and Radio Communication Services.

Appropriations for Public Health include increased provision of \$27,000 for Cancer treatment, prevention and hospitalization.

In the Department of Agriculture there is a new appropriation of \$60,000 for Farm Labour Supervision, of which \$30,000 will be reimbursed by the Dominion Government with whom we are co-operating in efforts to maintain adequate production of primary food supplies.

#### RESEARCH COUNCIL

The estimates under Executive Council include a new appropriation of \$36,150 of which \$26,050 is for the purposes of the Research Council. The Government realizes the necessity of research work in our Province, particularly at this time when it is felt that research in connection with post-war planning is most important. The Council has been completely reorganized, and the appropriation provided last year for their work in the grant to the University has been transferred to the Executive Council. The balance of the appropriation is for the operation of the Gas testing laboratory against which you will find \$12,000 as estimated revenue from fees.

In the appropriations for the Bureau of Public Welfare will be found a grant of \$10,000 to be made to the University for the erection of a Blood Plasma Plant from which it is proposed to furnish to every hospital in the Province of Alberta an adequate supply of processed Plasma at cost.

Dealing now with the estimated receipts and payments on Capital Account.

The estimated receipts total \$985,630.00 as compared with \$957,810.98, an increase of \$27,819.02 over the amount estimated for the present fiscal year. The estimates are as follows:

## RECEIPTS—CAPITAL ACCOUNT

	1943-44	1942-43	Increase	Decrease
Executive Council .....	\$473,600.00	\$462,000.00	\$11,600.00	
Agriculture Dept. ....	94,400.00	94,000.00	400.00	
Agriculture Dept. (Water Resources) .....	230,400.00	210,530.98	19,869.02	
Education Dept. ....	1,500.00	1,100.00	400.00	
Municipal Affairs Dept. ....	90,800.00	81,250.00	9,550.00	
Public Works Dept. ....	5,900.00	5,900.00		
Treasury Dept. ....	46,330.00	34,130.00	12,200.00	
Lands and Mines Dept. ....	9,000.00	9,000.00		
Sub-Total .....	\$951,930.00	\$897,910.98	\$54,019.02	
Agricultural Relief .....	33,700.00	59,900.00		\$26,200.00
Total Receipts— Capital Account .....	\$985,630.00	\$957,810.98	\$54,019.02	\$26,200.00

A net increase of \$27,819.02

These receipts show only minor increases aggregating \$54,000, which amount is partly offset by a natural decrease of \$26,000 in estimated collections on account of advances made in connection with Agricultural Relief policies in previous years.

Payments on Capital Account are estimated at \$2,475,688.00 as compared with \$2,520,662.33 for the present fiscal year, a decrease of \$44,974.33, and by Departments are as follows:

## PAYMENTS—CAPITAL ACCOUNT

	1943-44	1942-43	Increase	Decrease
Executive Council .....	\$ 321,000.00	\$ 233,000.00	\$ 88,000.00	
Agriculture Dept. ....	127,700.00	129,250.00		\$ 1,550.00
Agriculture Dept. (Water Resources) .....	501,393.00	487,427.33	13,965.67	
Lands and Mines Dept. ....	25,000.00	35,000.00		10,000.00
Municipal Affairs Dept. ....	2,500.00	4,000.00		1,500.00
Public Works Dept. ....	1,347,405.00	1,451,230.00		103,825.00
Treasury Dept. ....	130,500.00	145,750.00		15,250.00
Sub-Total .....	\$2,455,498.00	\$2,485,657.33	\$101,965.67	\$132,125.00
Agricultural Relief .....	20,190.00	35,005.00		14,815.00
Total Payments Capital Account .....	\$2,475,688.00	\$2,520,662.33	\$101,965.67	\$146,940.00

A net decrease of \$44,974.33

Public Works estimates are decreased \$103,000, entirely in the appropriation for construction of Public Buildings. There is no provision in connection with the Nurses' Home at the Central Alberta Sanatorium, Keith, which has been practically completed out of the present year's appropriation of \$63,000; and there is a decrease of \$51,000 in the amount provided for the addition to the Oliver Mental Institute, for which \$107,000 was appropriated for the current fiscal year.

The Highway appropriation remains the same as last year's, and while materials for a continuation of the surfacing programme on the main highways will not be available in adequate amounts, it is planned to improve the southern end of the Alaska Highway as a means of assisting in the war effort as well as to facilitate transportation in the great and important task of opening up the vast northland.

In continuation of our policy to aid the war effort, much badly needed construction is being deferred until such time as labour and material will be readily available for the normal purposes of a world of peace.

Offsetting these decreases to the extent of \$88,000 is an estimated increase in payments out of the Civil Service Superannuation Fund shown in the amount provided for Executive Council. This is entirely due to expected refunds to employees and to the General Revenue Fund in cases of resignations. We are already experiencing excessive losses of trained personnel to more lucrative outside positions, and of employees who do not come within the provisions of The Civil Servants War Service Act to the armed forces, in both of which cases such refunds have to be made.

### REFUNDING—PUBLIC DEBT

In my budget address of last year I endeavoured to set out clearly the policy of the Government with respect to the debenture debt of the Province. I quote from that part of my address:

“We want to refund the whole of the debt. We feel that it is possible to evolve a plan that will be satisfactory and equitable both to the Province and to the holders of our debentures. If the Alberta Refunding Committee set up by the Province and the Bondholders jointly last year will continue to approach the whole problem realistically and in a spirit of fairness, forgetting for the moment legal rights and recriminations, I feel certain that they will be able to arrive at an agreement that can soon be translated into action. There are a good many phases of the whole refunding problem that have not as yet been studied by the Committee; hence it is our intention to call the members together again as soon as they are free to meet. It must be realized, of course, that this is not a matter that can be disposed of in a few short weeks; it will take at best many months. It must also be realized that whatever is done in Alberta will doubtless be the pattern for other Western Provinces; and therefore some form of concerted action might be found desirable, with an approach to the Federal Government for a scaling down of provincial debts held by them in the form of Treasury Bills.”

I think, Mr. Speaker, that the time has arrived when I should review the proceedings of the meetings of the committee composed of representatives of the Bondholders and of the Government, and also to reduce to figures the proposal which was submitted on behalf of the Bondholders at the last meeting of the Committee.

The first meeting of the Committee was held in September, 1941. This conference extended over a period of three days; and the Joint Committee agreed:

(1) That the objective of the Committee should be to devise a refunding plan that would be acceptable to the Government and the Bondholders, and that would have the effect of restoring the provincial credit and the marketability of Alberta bonds at or near par value.

(2) That any refunding plan should encompass the net outstanding direct and indirect debt, excluding Treasury Bills and Railway Guaranteed Securities. Savings Certificates were also to be included in the plan; but the problem of their disposition was to be deferred for future consideration.



The Bondholders' representatives contended that a valid claim existed for payment of unpaid interest (since June 1st, 1936); but that they would recommend to the bondholders that payment be accepted in easy instalments over an extended period without adding interest thereto. They also held to the view that a basic four per cent interest rate was the minimum rate necessary to restore the market value of Alberta bonds at a price close to par, and that the interest rate should bear a proper relationship to the yields commanded by other securities.

The representatives of the Government expressed the view that claims for the unpaid interest in excess of the amount now tendered should be waived in a refunding plan, and that the reduced rate of interest had been fixed by the Government and approved by the Legislature as the maximum that the taxpayers of the Province could be called upon to pay in the light of the economic conditions and the necessity of maintaining essential social services. It was also pointed out that any material increase in the rate of interest now paid on the debt of the Province would preclude the setting aside of any substantial sum for debt retirement, and that provision of a substantial sum for this purpose would enhance the market value of Alberta securities.

After this interchange of views and discussions regarding various phases of the financial statements of the Province, the meetings adjourned to meet again at the call of the Chairman.

At my invitation the Committee was reconvened on June 8th of last year. Mr. J. E. Fortin, Secretary of the Dominion Mortgage and Investment Association, served on the Committee in the place of the late R. D. Tighe, K.C.; and I would like to express here my very real appreciation of the services of Mr. Tighe as a member of that Committee. At all times he showed a sympathetic understanding of the problem and a sincere desire to evolve an equitable refunding plan. Discussions at this meeting of June 8th took place regarding the position of the Province as evidenced by the Public Accounts for the year ended March 31st, 1941; and specific questions were asked by the representatives of the bondholders as to both income and ordinary and capital expenditures for future years. On behalf of the Government, we took the stand that the estimates passed by the Legislature for the year 1942-43 were indicative of what the Government hoped to receive by way of income, and proposed to spend. After careful consideration by my colleagues and myself, I provided a written reply to the questions submitted in which I referred to the meeting the previous year and asked if the opinion expressed by their representatives at that time did constitute an offer to the Government of Alberta and if so, was that offer the best they could make. In the formal reply we were advised as follows; and I quote:

#### BONDHOLDERS' PROPOSAL

"The Alberta Bondholders' Committee is prepared to recommend a plan of refunding which involves three fundamental points:

- "(1) A 4% basic rate of interest;
- "(2) Recognition of past due unpaid interest; and
- "(3) Provision for differentials in coupon rates on outstanding bonds to their respective maturities."

To this proposal I replied as follows; and I quote from my letter addressed to Mr. Courtland Elliott, who was Chairman of his group in the Committee:

"The Government representatives on the Alberta Debt Refunding Committee have weighed carefully your submission of June 10th and as requested by you we herewith set out a clear statement of our position with respect to the main items involved in the problem of refunding Alberta's debt.

"We are prepared to recommend to the Government a plan involving an average rate of interest of  $3\frac{1}{2}\%$ . We are convinced that with the co-operation of the bondholders in adjusting our outstanding debt and in arranging satisfactorily the future debt retirement payments, we can make this possible without imposing any greater burden upon the taxpayers for debt services.

"With respect to the unpaid portion of the interest, we must state that we do not see how it would be possible or practicable for the Province to provide for the payment of or compensation for this amount. Since in the opinion of the Government the main concern of the individual bondholders is restoration of the capital value of their investment, we would recommend that the Province set aside a fund to provide a call feature of annual redemption which would have the effect of maintaining the market price somewhere near par.

"We recognize that some adjustment would be necessary with regard to the varying coupon rates on outstanding debenture issues, and we will recommend that some provision be considered in this regard.

"We are not prepared to recommend the acceptance of the proposed plan as outlined in your letter of yesterday involving a 4% rate. We are, however, assured that the Government will consider our submission as set out above as a basis for a complete readjustment of the Province's debenture debt.

"We would ask that you place the same before your principals for their consideration."

The meetings of the Committee were then concluded. Since that date I received a letter from Mr. J. M. Macdonnell, Chairman of the Alberta Bondholders' Committee, to the effect that they were unable to go further in meeting our views.

I have endeavoured to outline the meetings of the Committee; and we are prepared to table at any time the written correspondence to which I have referred. However, my main purpose at this particular time is to measure in dollars the sum involved if the proposal made by the Bondholders' Committee were to be accepted.

#### ANALYSIS OF BONDHOLDERS' PROPOSAL

(1) If the debt were to be refunded at 4% interest, the increase in interest charges over the present amount provided would be \$1,792,000 per annum.

(2) The recognition of past due interest from June 1st, 1936, would involve an addition to the debt, and provision over a term of years of a sum of approximately \$22,000,000 as at March 31st, 1943. I must add, however, that the sum might be scaled down to a certain

extent depending upon the form and term of the instrument issued in recognition.

(3) Provision for differential in coupon rates on outstanding bonds to their respective maturities, if reduced to the basis of a cash payment as compensation, would result in an outlay of \$6,587,000. The alternative would be to issue refunding bonds bearing the present coupon rates of interest to maturity of the respective issues and thereafter at 4% to the date of maturity of the new refunding issue.

I may add that it was also tentatively agreed by the Bondholders' representatives that the Province would have the right to call at any time the new debentures for redemption, which, however, would only be possible or to the benefit of the Province if at any time they could refund at a lower rate than 4%.

The Government is not prepared to accept a plan of refunding on the basis proposed by the Bondholders' Committee, which, it feels, represents what might be termed the institutional viewpoint rather than the viewpoint of the many individual holders of our debentures.

We feel confident that the very large number of individual bondholders sincerely desire the early consummation of an equitable plan which will have the effect of bringing the market value of their holdings back to or near par. They are not concerned about any punitive requirements in whatever scheme is adopted, nor do they concern themselves with the technical consideration of differentials in coupon rates on outstanding bonds to their respective maturities. They desire what the Government desires, namely, the early implementation of a simple and forthright plan involving a fair future rate of interest in keeping with rates on comparable securities elsewhere in the world, together with a schedule of maturities which it will be possible for the people of this Province to meet regularly in their efforts eventually to retire the debt and at the same time provide a fair and reasonable standard of government services.

I am confident that this point of view of the individual bondholder will ultimately prevail, and that all concerned will sit down not merely to negotiate, but to build a sound scheme of refunding possible of acceptance by all parties concerned.

I have outlined the proposal and summed up what it involves in order that all members of the House may be fully informed about the results of our negotiations for a satisfactory settlement of our debt problem.

I have endeavoured, Mr. Speaker, to furnish the Honourable Members and the public with a clear and comprehensive view of the main financial statements of this Province, and of the amount we hope to receive on the revenue side and the sums we propose to spend. Although the budget of any Government must be for the fiscal period, it should not necessarily be considered as a budget by itself; but as a part of a connected and continuous policy.

A review of the budgets for the past five years will show that we have each year consistently provided increased sums for education and health and social services. In the budget for the year ended March 31st, 1937, the sum of \$1,585,000 was expended for grants to schools; in the estimates for the ensuing year we have provided an appropria-

tion of \$2,302,000. Likewise the grant to the University of Alberta has been increased \$151,000 over the same period. In the Health Department a total of \$1,323,000 was expended in 1936-37 for Hospital Grants, Mental Institutions and for care of Tuberculosis patients. This amount is in comparison with \$1,898,000 included in the estimates I have tabled for 1943-44. You will find similar increased provision in other appropriations for essential services, including the supplementary allowance for Old Age Pensioners, which will necessitate an expenditure of close to \$730,000 for the ensuing year. The receipts estimated for the coming year are only sufficient to meet the proposed expenditures on Income and Capital Accounts when allowance is made for sums included for debt retirement.

In closing I must point out that while there are very real evidences of growth and expansion of business in this Province due largely to wartime activities, our sources of revenue for the duration are restricted. We cannot expect further expansion of our receipts under existing conditions, and it may become increasingly difficult for us to keep our expenditures within our income in the years immediately ahead. Great care will be necessary in the management of our financial affairs.



GOVERNMENT OF THE PROVINCE OF ALBERTA  
STATEMENT OF BONDED DEBT AND TREASURY BILLS AS AT DECEMBER 31, 1942

STATEMENT No. 1

Date of Issue	Date of Maturity	Amount	Original Interest Rate	Reduced Interest Rate (a)	Where Payable	Denominations	DISTRIBUTION	
							General Revenue	Telephones
<b>Debentures Past Due:</b>								
April 1, 1921.....	April 1, 1936.....	\$ 2,846,000.00	6%	3%	M., T., E.	\$500.00; \$1,000.00	\$ 888,000.00	\$ 1,958,000.00
Nov. 1, 1921.....	Nov. 1, 1936.....	1,109,000.00	6%	3%	M., T., E.	\$500.00; \$1,000.00	886,500.00	222,500.00
June 1, 1931.....	June 1, 1937.....	1,650,000.00	4½%	2½%	M., T., E., L.	\$100.00; \$500.00; \$1,000.00	1,650,000.00	
June 1, 1938.....	June 1, 1938.....	2,000,200.00	4%	2%	M., T., E., L.	\$100.00; \$500.00; \$1,000.00		2,000,200.00
Jan. 1, 1939.....	Jan. 1, 1939.....	1,000,000.00	5½%	2½%	M., T., E., N.Y.	\$1,000.00	1,000,000.00	
Jan. 15, 1939.....	Jan. 15, 1939.....	2,500,000.00	5%	2½%	M., T., E., N.Y.	\$1,000.00; \$500.00; \$1,000.00	2,500,000.00	
June 1, 1939.....	June 1, 1939.....	750,000.00	5%	2½%	M., T., E.	\$250,000.00	750,000.00	
Sept. 1, 1939.....	Sept. 1, 1939.....	250,000.00	5%	2½%	E.	\$250,000.00	250,000.00	
Feb. 15, 1940.....	Feb. 15, 1940.....	2,000,000.00	5%	2½%	M., T., E., W., V.	\$500.00; \$1,000.00	2,000,000.00	
Feb. 15, 1935.....	Feb. 15, 1940.....	750,000.00	5%	2½%	M., T., E., Vic.	\$1,000.00	750,000.00	
July 15, 1941.....	July 15, 1941.....	750,000.00	4½%	2½%	M., T., E., N.Y., L.	\$1,000.00	750,000.00	
Sept. 1, 1941.....	Sept. 1, 1941.....	2,250,000.00	6%	3%	M., T., E.	\$500.00; \$1,000.00	2,250,000.00	
Oct. 1, 1941.....	Oct. 1, 1941.....	1,800,000.00	6%	3%	M., T., E.	\$500.00; \$1,000.00		1,800,000.00
Dec. 1, 1941.....	Dec. 1, 1941.....	1,053,230.68	6%	3%	M., T., E.	\$230.68; \$1,000.00	420,000.00	1,053,230.68
Jan. 15, 1942.....	Jan. 15, 1942.....	700,000.00	6%	3%	M., T., E.	\$1,000.00	1,250,000.00	280,000.00
July 1, 1942.....	July 1, 1942.....	1,250,000.00	4½%	2½%	M., T., E., N.Y.	\$1,000.00	1,250,000.00	
Sept. 1, 1942.....	Sept. 1, 1942.....	150,000.00	4½%	2½%	M., T., E., C., Vic., N.Y.	\$1,000.00	150,000.00	
Nov. 1, 1942.....	Nov. 1, 1942.....	2,948,000.00	5%	2½%	M., T., E., N.Y.	\$1,000.00	729,724.41	2,218,275.59
		53,762.07	4%	2%	L.	\$1:0:0 Stock	10,635.62	43,126.45
		\$ 25,810,192.75					\$ 16,234,860.03	\$ 9,575,332.72
<b>Debentures and Stock Not Due:</b>								
April 1, 1923.....	April 1, 1943.....	\$ 3,500,000.00	5%	2½%	M., T., E., N.Y.	\$1,000.00	1,500,000.00	\$ 2,000,000.00
July 1, 1923.....	July 1, 1943.....	2,600,000.00	5%	2½%	M., T., E., L.	\$500.00; \$1,000.00	2,000,000.00	
Nov. 1, 1933.....	Nov. 1, 1943.....	3,012,463.13	4½%	2½%	\$133,333.34 M., T., E.	\$133.34; \$100.00; \$1,000.00		
					\$2,879,129.79 L.	\$1:0:0 Stock	\$750,000.00	1,798,017.06
April 15, 1940.....	April 15, 1945.....	750,000.00	4½%	2½%	M., T., E.	\$1,000.00	750,000.00	
June 15, 1945.....	June 15, 1945.....	2,250,000.00	4½%	2½%	M., T., E., N.Y.	\$1,000.00	2,250,000.00	
Jan. 15, 1946.....	Jan. 15, 1946.....	3,750,000.00	4½%	2½%	M., T., E., N.Y., L.	\$1,000.00; \$500.00; \$1,000.00	2,250,000.00	
Jan. 2, 1927.....	Jan. 1, 1947.....	3,846,000.00	5½%	2½%	M., T., E., N.Y.	\$1,000.00	3,750,000.00	
Mar. 1, 1927.....	Mar. 1, 1947.....	5,000,000.00	6%	2½%	M., T., E., W., C., V.	\$500.00; \$1,000.00	1,846,900.00	2,000,000.00
Jan. 1, 1928.....	Jan. 1, 1948.....	4,800,000.00	5%	2½%	M., T., E., N.Y.	\$1,000.00	4,104,000.00	896,000.00
April 15, 1925.....	April 15, 1950.....	3,740,000.00	5%	2½%	M., T., E., N.Y.	\$1,000.00	3,272,000.00	
Oct. 1, 1931.....	Oct. 1, 1950.....	5,649,000.00	4½%	2½%	M., T., E., W., C., V., N.Y.	\$1,000.00	5,649,000.00	468,000.00
April 1, 1922.....	April 1, 1952.....	3,000,000.00	5½%	2½%	M., T., E., N.Y.	\$1,000.00	3,000,000.00	
July 15, 1923.....	July 15, 1953.....	1,000,000.00	4%	2%	M., T., E., W., C., V.	\$500.00; \$1,000.00	1,000,000.00	
Oct. 1, 1924.....	Oct. 1, 1953.....	3,000,000.00	4½%	2½%	M., T., E., W., C., V.	\$1,000.00	2,125,000.00	875,000.00
(b) Dec. 15, 1934.....	Dec. 15, 1954.....	500,000.00	5%	2½%	M., T., E., N.Y.	\$1,000.00	500,000.00	
July 15, 1925.....	July 15, 1955.....	2,850,000.00	5%	2½%	M., T., E., W., C., V.	\$500.00; \$1,000.00	2,850,000.00	
Sept. 1, 1933.....	Sept. 1, 1955.....	6,000,000.00	4½%	2½%	M., T., E., N.Y.	\$1,000.00	4,756,394.35	1,243,605.65
Oct. 1, 1926.....	Oct. 1, 1956.....		4½%	2½%	M., T., E., W., C., V.	\$1,000.00		
Jan. 15, 1927.....	Jan. 15, 1957.....	1,275,000.00	4½%	2½%	M., T., E., Vic., N.Y.	\$1,000.00	1,275,000.00	

Dec. 1, 1927	Dec. 1, 1957	1,850,000.00		M., T., E., C., V., N.Y.	\$500.00; \$1,000.00	1,850,000.00	
July 16, 1928	July 16, 1958	3,500,000.00	4%	M., T., E., W., C., V., N.Y., L.	\$1,000.00	2,808,000.00	
Oct. 1, 1928	Oct. 1, 1958	5,915,000.00	4½%	M., T., E., W., C., V., N.Y., L.	\$500.00; \$1,000.00	5,915,000.00	692,000.00
(c) Jan. 1, 1929	Jan. 1, 1959	7,400,000.00	5%	L.	\$1,000.00	7,400,000.00	
Oct. 1, 1929	Oct. 1, 1959	6,000,000.00	5%	M., T., E., W., C., V., N.Y., L.	\$100.00; \$500.00; \$1,000.00	3,913,500.00	2,086,500.00
May 1, 1930	May 1, 1960	3,000,000.00	4½%	M., T., E., W., C., V., N.Y.	\$100.00; \$500.00; \$1,000.00	3,000,000.00	
April 1, 1931	April 1, 1961	5,000,000.00	4½%	M., T., E., W., C., V., N.Y.	\$100.00; \$500.00; \$1,000.00	3,250,000.00	1,750,000.00
July 1, 1932	July 1, 1962	546,000.00	4½%	M., T., E., N.Y.	\$1,000.00	546,000.00	
June 1, 1932	June 1, 1962-67	4,866,666.66	5%	L.	\$1:0:0 Stock	4,136,666.66	730,000.00
June 1, 1927	June 1, 1967	5,239,500.00	4½%	\$1,364,500.00 E., V., Vic.			
				\$3,875,000.00 M., T., E., Vic.			
Feb. 15, 1924	Feb. 15, 1974	500,000.00	5%	E.	\$1,000.00	3,870,500.00	1,369,000.00
July 15, 1924	July 15, 1974	250,000.00	5%	E., Vic.	\$500,000.00	500,000.00	
June 15, 1925	June 15, 1975	130,000.00	2½%	E.	\$250,000.00	250,000.00	
May 1, 1930	May 1, 1980	1,000,000.00	4½%	E.	\$130,000.00	130,000.00	
					\$1,000,000.00	1,000,000.00	
		\$102,119,629.79				\$ 86,795,078.07	\$ 15,324,551.72
<b>Treasury Bills:</b>							
Jan. 1, 1942	Jan. 1, 1943	\$ 450,000.00	3½%	E.	Held by:	\$ 450,000.00	
Jan. 15, 1942	Jan. 15, 1943	209,000.00	3%	E., O.	Provincial Treasurer	209,000.00	
Jan. 15, 1943	Jan. 15, 1943	4,509,000.00	3%	E., O.	Dominion of Canada	3,618,000.00	\$ 891,000.00
Feb. 1, 1942	Feb. 1, 1943	500,000.00	3%	E., O.	Provincial Treasurer	500,000.00	
Feb. 1, 1943	Feb. 1, 1943	4,678,000.00	3%	E., O.	Dominion of Canada	3,895,500.00	782,500.00
April 15, 1942	April 15, 1943	1,873,500.00	3%	E., O.	Dominion of Canada	1,873,500.00	
June 1, 1942	June 1, 1943	2,448,000.00	3%	E., O.	Dominion of Canada	2,448,000.00	
Aug. 1, 1942	Aug. 1, 1943	4,645,000.00	3%	E., O.	Dominion of Canada	4,645,000.00	
Sept. 1, 1942	Sept. 1, 1943	400,000.00	3%	E., O.	Dominion of Canada	400,000.00	
Sept. 15, 1942	Sept. 15, 1943	500,000.00	3%	E., O.	Provincial Treasurer	500,000.00	
Oct. 1, 1942	Oct. 1, 1943	1,600,000.00	3%	E., O.	Dominion of Canada	1,600,000.00	
Dec. 1, 1942	Dec. 1, 1943	6,192,000.00	3%	E., O.	Dominion of Canada	5,240,000.00	952,000.00
		\$ 28,004,500.00				\$ 25,379,000.00	\$ 2,625,500.00
<b>SUMMARY:</b>							
Debentures Past Due		\$ 25,810,192.75				\$ 16,234,860.03	\$ 9,575,332.72
Debentures and Stock Not Due		102,119,629.79				86,795,078.07	15,324,551.72
Treasury Bills		28,004,500.00				25,379,000.00	2,625,500.00
		\$155,934,322.54				\$128,408,938.10	\$ 27,525,384.44
LESS: Sinking Funds		15,034,626.64				12,535,611.63	2,499,015.01
Net Bonded and Treasury Bills		\$140,899,695.90				\$115,873,326.47	\$ 25,026,369.43

(a) Interest reduced in accordance with the provisions of Order-in-Council No. 734/36.

(b) \$5,000,000.00 authorized.

(c) Alberta and Great Waterways Railway First Mortgage Gold Debenture Bonds.

ABBREVIATIONS: M., Montreal; T., Toronto; E., Edmonton; O., Ottawa; W., Winnipeg; C., Calgary; V., Vancouver; Vic., Victoria; N.Y., New York, U.S.A.; L., London, England.

## STATEMENT No. 2

## GOVERNMENT OF THE PROVINCE OF ALBERTA

STATEMENT OF FUNDED AND UNFUNDED DEBT  
AS AT DECEMBER 31, 1942

The net funded and unfunded debt as at December 31, 1942, amounted to \$140,899,695.90, made up as follows:

Funded debt .....	\$155,934,322.54	
Less: Sinking Funds .....	15,034,626.64	
Net funded debt .....		\$140,899,695.90
Unfunded debt:		
Savings Certificates .....	\$ 4,049,101.88	
Superannuation Fund .....	3,374,340.95	
Miscellaneous .....	175,661.54	
	\$ 7,599,104.37	
Less: Cash and investments (book value) .....	7,599,104.37	
Net unfunded debt .....		
Net funded and unfunded debt .....		\$140,899,695.90



## STATEMENT No. 3

## GOVERNMENT OF THE PROVINCE OF ALBERTA

COMPARATIVE STATEMENT OF RECEIPTS AND PAYMENTS  
ON INCOME ACCOUNT FOR THE NINE MONTHS ENDED  
DECEMBER 31, 1941, AND DECEMBER 31, 1942

Particulars	Nine months ended		Increase or *decrease
	Dec. 31, 1942	Dec. 31, 1941	
Receipts:			
Dominion of Canada subsidies .....	\$ 903,625.90	\$ 893,737.50	\$ 9,888.40
Taxes .....	7,298,878.21	8,128,579.90	829,701.69*
Licenses .....	3,156,649.68	3,156,609.63	40.05
Fees .....	2,798,155.34	2,459,012.23	339,143.11
Fines and penalties .....	81,630.83	98,638.63	17,007.80*
Profits from trading activities .....	2,960,860.91	2,657,352.12	303,508.79
Refunds of expenditure .....	1,924,670.95	1,818,903.37	105,767.58
From revenue producing assets .....	729,783.07	754,732.40	24,949.33*
Miscellaneous .....	48,339.77	55,701.67	7,361.90*
Suspense .....	166,425.30	239,573.48	73,148.18*
Sub-total .....	\$20,069,019.96	\$20,262,840.93	\$193,820.97*
Unemployment relief reimbursements .....	37,536.67	270,587.96	233,051.29*
Total receipts .....	\$20,106,556.63	\$20,533,428.89	\$426,872.26*

Particulars	Nine months ended		Increase or *decrease
	Dec. 31, 1942	Dec. 31, 1941	
Payments:			
Public Debt .....	\$ 2,761,393.94	\$ 2,715,991.63	\$ 45,402.31
Executive Council .....	169,134.63	142,213.45	26,921.18
Legislation .....	97,848.35	94,414.24	3,434.11
Agriculture Department .....	352,431.94	328,847.81	23,584.13
Agriculture Department (Water Resources Branch) .....	41,995.64	43,539.85	1,544.21*
Attorney General's Department .....	480,415.39	497,830.38	17,414.99*
Education Department .....	2,846,002.21	2,769,498.19	76,504.02
Municipal Affairs Department .....	256,410.01	270,237.36	13,827.35*
Provincial Secretary's Department .....	113,674.73	147,019.23	33,344.50*
Public Health Department .....	1,758,598.51	1,636,710.61	121,887.90
Public Works Department .....	2,384,198.65	2,207,421.13	176,777.52
Railways Branch .....	2,848.16	3,084.23	236.07*
Treasury Department .....	3,414,901.09	2,849,447.05	565,454.04
Lands and Mines Department .....	608,388.31	696,347.87	87,959.56*
Trade and Industry Department .....	177,035.92	161,232.67	15,803.25
Dominion-Provincial Youth Training Programme .....	122,040.87	118,182.48	3,858.39
Sub-total .....	\$15,587,318.35	\$14,682,018.18	\$905,300.17
Unemployment relief .....	326,125.52	643,272.70	317,147.18*
Total payments .....	\$15,913,443.87	\$15,325,290.88	\$588,152.99

## STATEMENT No. 4

## GOVERNMENT OF THE PROVINCE OF ALBERTA

## CONSOLIDATED SURPLUS OR DEFICIT ACCOUNT

## INCOME ACCOUNT

## GENERAL REVENUE FUND

Year ended December 31	Particulars	Revenue	Expenditure	Surplus* or Deficit
1905	Per Order-in-Council 966/11	\$ 635,975.57	\$ 150,021.10	\$ 485,954.47*
1906	"	1,425,059.01	1,279,041.44	146,017.57*
1907	"	1,847,452.61	1,839,064.04	8,388.57*
1908	"	2,755,900.41	2,079,708.20	676,192.21*
1909	"	2,511,851.46	2,632,935.53	121,084.07
1910	"	2,071,773.94	3,696,826.86	1,625,052.92
		\$ 11,248,013.00	\$ 11,677,597.17	\$ 429,584.17
1911	Per Public Accounts	2,802,325.79	3,037,618.45	235,292.66
1912	"	3,419,381.52	3,353,258.48	66,123.04*
1913	"	4,519,345.19	4,409,795.18	109,550.01*
1914	"	4,350,836.79	4,446,160.31	95,323.52
1915	"	4,144,040.18	4,742,374.81	598,334.63
1916	"	4,228,974.28	5,006,993.08	778,018.59
1917	"	5,069,303.73	5,712,643.03	643,339.30
1918	"	6,283,336.15	7,132,119.21	848,783.06
1919	"	8,004,476.10	7,905,330.47	99,145.63*
1920	"	9,005,862.21	8,544,052.16	461,810.05*
1921	"	8,486,946.25	10,605,155.91	2,118,209.66
1922	"	9,324,889.73	11,235,192.22	1,910,302.49
1923	"	10,419,146.26	10,990,830.00	571,683.74
1924	"	10,506,627.13	11,127,468.55	620,841.42
1925	"	11,531,025.99	11,343,006.45	188,019.54*
1926	"	11,912,128.27	11,894,327.74	17,800.53*
1927	"	12,263,400.64	12,479,380.97	215,980.33
Year ended March 31:				
1928 (3 months)	"	3,886,495.04	3,390,751.58	495,743.46*
1929	"	15,265,083.77	13,686,260.68	1,578,823.09*
1930	"	15,829,865.22	15,402,884.57	426,980.65*
1931	"	15,710,962.44	18,017,543.54	2,306,581.10
1932	"	13,492,420.28	18,645,481.20	5,153,050.92
1933	"	15,426,264.94	17,533,785.97	2,107,521.03
1934	"	15,178,607.44	17,056,638.86	1,878,031.42
1935	"	15,697,770.48	17,435,821.37	1,738,050.89
1936	"	16,575,151.62	18,225,949.86	1,650,798.24
1937**	"	20,743,045.72	20,665,192.83	77,852.89*
1938**	"	24,127,805.54	21,359,739.46	2,768,066.08*
1939**	"	24,269,817.40	21,242,625.48	3,027,191.92*
1940**	"	24,410,039.54	21,922,189.04	2,487,850.50*
1941**	"	24,921,669.29	20,570,675.91	4,350,993.38*
1942**	"	27,213,546.34	19,965,125.48	7,248,420.86*
		\$410,268,614.27	\$410,763,970.02	\$ 495,355.75
Less:				
Surplus arising from excess of income assets over income liabilities and adjustments				5,520,645.00
Surplus, General Revenue Fund, March 31, 1942				\$ 5,025,289.25
Deduct: Alberta Government Telephones deficit				1,210,495.84
Income surplus, March 31, 1942				\$ 3,814,793.41

\*\*Operating results after reduction of interest charges, suspension of sinking fund provision, and after including net expenditure for unemployment relief. In previous years, unemployment relief expenditure was capitalized.

## STATEMENT No. 5

## GOVERNMENT OF THE PROVINCE OF ALBERTA

## GENERAL STATISTICS

## AGRICULTURAL STATISTICS

Area—Land .....	159,232,000 acres
Water .....	4,150,400 "
Total .....	163,382,400 "
Area in square miles .....	255,285 sq. mi.
Population, 1942 .....	796,169
Area of National Parks .....	13,434,240 acres
Area of Forest Reserves .....	12,436,500 "
Area of Surveyed Tract .....	87,889,701 "
Area of Irrigation Tract .....	3,354,080 "
Area Irrigable .....	884,583 "
Area Irrigated .....	375,342 "
Agricultural Area .....	97,125,000 "
Area in Occupied Farms .....	40,539,934 "
Number of Farms .....	100,333

Average Value of Farm  
Property per acre:

1921 .....	\$28.00
1936 .....	16.00
1937 .....	15.00
1938 .....	15.00
1939 .....	16.00
1940 .....	16.00
1941 .....	16.00
1942 .....	16.00

## Acreage under Cultivation:

1906 .....	659,981 acres
1936 .....	18,108,333 "
1937 .....	18,312,220 "
1938 .....	18,391,600 "
1939 .....	18,918,500 "
1940 .....	19,526,000 "
1941 .....	19,429,600 "
1942 .....	19,424,800 "

## Acreage under Wheat:

1906 .....	177,127 acres
1936 .....	7,537,200 "
1937 .....	7,834,000 "
1938 .....	7,969,000 "
1939 .....	8,379,000 "
1940 .....	8,667,000 "
1941 .....	6,481,000 "
1942 .....	6,370,000 "

## Value of Agricultural Production:

1906 .....	\$ 16,428,205
1936 .....	160,971,490
1937 .....	192,439,195
1938 .....	175,640,815
1939 .....	185,867,613
1940 .....	209,741,864
1941 .....	204,639,200
1942 .....	366,351,300

## Creamery Butter Manufactured:

1906 .....	1,960,356 lbs.
1936 .....	25,491,105 "
1937 .....	26,323,562 "
1938 .....	31,242,357 "
1939 .....	29,749,953 "
1940 .....	29,796,520 "
1941 .....	35,316,143 "
1942 .....	36,986,436 "

## Live Stock, 1942:

Horses .....	647,000 No.
Milch Cows .....	366,800 "
Other Cattle .....	1,102,200 "
Sheep .....	528,000 "
Swine .....	2,093,000 "
Poultry .....	9,608,600 "

## Shipments of Cattle from Alberta:

1935 .....	317,054 head
1937 .....	258,528 "
1938 .....	192,796 "
1939 .....	190,201 "
1940 .....	177,100 "
1941 .....	186,192 "
1942 .....	180,492 "

## Hog Marketings:

1936 .....	1,039,466 head
1937 .....	980,272 "
1938 .....	782,357 "
1939 .....	979,898 "
1940 .....	1,485,382 "
1941 .....	1,950,659 "
1942 .....	2,182,342 "

## NATURAL RESOURCES STATISTICS

Estimated coal area, over 16,500 square miles, with coal reserves over 1,000 million tons.

## Coal Production:

1906 .....	1,385,000 tons
1935 .....	5,696,375 "
1937 .....	5,551,682 "
1938 .....	5,230,025 "
1939 .....	5,518,105 "
1940 .....	6,205,038 "
1941 .....	6,970,064 "
1942 .....	7,754,279 "

## Petroleum Production:

1924 .....	844 bbls.
1936 .....	1,320,442 "
1937 .....	2,796,908 "
1938 .....	6,742,039 "
1939 .....	7,594,411 "
1940 .....	8,493,237 "
1941 .....	9,908,643 "
1942 .....	10,143,270 "

## Natural Gas Production:

1921 .....	4,945,884 m.c.f.
1935 .....	19,128,345 "
1937 .....	26,841,760 "
1938 .....	26,849,828 "
1939 .....	23,286,434 "
1940 .....	26,402,229 "
1941 .....	28,305,429 "
1942 .....	32,443,588 "

Value of Commercial Fisheries  
Production:

1921 .....	\$ 408,863
1936 .....	813,743
1937 .....	447,345
1938 .....	518,792

## STATEMENT No. 5—(Continued)

## GENERAL STATISTICS

Value of Commercial Fisheries  
Production—(Continued):

1939 .....	\$ 457,835
1940 .....	460,167
1941 .....	442,460
1942 (Estimated) .....	492,176

## Value of Mineral Production:

1907 .....	\$ 4,667,524
1936 .....	23,306,726
1937 .....	25,697,117
1938 .....	28,966,272
1939 .....	30,691,617
1940 .....	35,092,337
1941 .....	41,364,385
1942 (Estimated) .....	46,410,960

## OTHER STATISTICS

## Manufacturing Industries, 1940:

Establishments .....	No. 1,068
Capital Invested .....	\$ 78,440,606
Employees .....	No. 14,191
Salaries and Wages .....	\$ 16,824,993
Value of Products .....	107,313,964

## Railway Mileage:

1906 .....	1,060 miles
1936 .....	6,785 "
1937 .....	6,792 "
1938 .....	6,792 "
1939 .....	6,819 "
1940 .....	6,819 "
1941 .....	5,823 "
1942 .....	5,828 "

## Schools in Operation:

1921 .....	2,746
1936 .....	3,642
1937 .....	3,591
1938 .....	3,592
1939 .....	3,696
1940 .....	3,639
1941 .....	3,625

## Motor Vehicles:

1911 .....	1,631
1936 .....	97,468
1937 .....	100,434
1938 .....	107,191
1939 .....	113,702
1940 .....	120,514
1941 .....	124,170
1942 (Estimated) .....	126,130

## Hard Surfaced Highways:

1921 .....	17 miles
1936 .....	2,307 "
1937 .....	3,002 "
1938 .....	3,095 "
1939 .....	3,457 "
1940 .....	3,494 "
1941 .....	3,839 "
1942 (Estimated) .....	4,000 "

## Bank Clearings:

1922 .....	\$546,227,960
1936 .....	538,915,234
1937 .....	650,324,627
1938 .....	689,608,066
1939 .....	521,641,889
1940 .....	647,610,159
1941 .....	666,777,923
1942 .....	741,657,907

## Bank Debits:

1924 .....	\$1,092,062,297
1936 .....	1,096,166,091
1937 .....	1,155,136,641
1938 .....	1,166,319,940
1939 .....	1,218,363,920
1940 .....	1,407,066,802
1941 .....	1,654,889,635
1942 .....	1,799,614,115

## Construction Industry—Contracts

## Awarded:

1924 .....	\$ 6,600,400	value
1936 .....	6,297,400	"
1937 .....	4,901,000	"
1938 .....	8,180,000	"
1939 .....	6,234,900	"
1940 .....	23,940,100	"
1941 .....	15,698,800	"
1942 .....	14,401,100	"